

## **Board Charter [Adopted 25 January 2007]**

### **1. INTRODUCTION**

- 1.1 This Charter establishes the framework of the Board of Directors (**Board**), and is designed to:
- a. enable the Board to provide strategic guidance for The MAC and effective oversight of management;
  - b. clarify the roles and responsibilities of Board members and senior executives in order to facilitate Board and management accountability to both The MAC and its shareholders; and
  - c. ensure a balance of authority so that no single individual has unfettered powers.
- 1.2 In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to act honestly, ethically, diligently and in accordance with the law in serving the interests of all stakeholders in The MAC.
- 1.3 The Board works to promote and maintain an environment within the Company at all times that establishes these principles as basic guidelines for all of its employees and representatives.
- 1.4 In carrying out its responsibilities, the Board will comply with the Code of Conduct.

### **2. COMPOSITION AND STRUCTURE OF THE BOARD**

- 2.1 The Board will be structured to allow efficient discharge of directors' legal duties and to add value in the context of The MAC's circumstances. The Board will have a proper understanding of, and competence to deal with, issues that arise from time-to-time in relation to the business of The MAC.
- 2.2 Having regard to the nature of The MAC's business, the Board will have a blend of experience covering:
- a. the mining issues;
  - b. the accommodation and catering issues;
  - c. building and construction;
  - d. financial audit and risk management issues; and
  - e. legal issues.
- 2.3 The maximum number of directors is 8. The minimum number of directors is 3.
- 2.4 The Board will be structured so that it can effectively review and challenge the performance of management and exercise independent judgment. To facilitate this, ordinarily, a majority of the Board will be Independent Directors. The MAC's position in relation to the independence of its directors is stated in the Directors' Independence Policy.
- 2.5 The Chairperson will be elected by the Board but will not need to be an Independent Director.
- 2.6 Where there is no Independent Chairperson, a Lead Independent Director will be appointed by the Board.
- 2.7 The role of Chairperson and Chief Executive Officer may be exercised by the same person.
- 2.8 Review of the size of the Board will occur annually.

### 3. MEETINGS

- 3.1 Meetings of the Board will be conducted in the manner prescribed by The MAC's Constitution.
- 3.2 Non-executive directors will have regularly scheduled meetings at least quarterly without management present. The following procedures will be adopted for these meetings:
- a. discussions will be facilitated by the Chairperson;
  - b. any other procedures for these meetings will be in accordance with The MAC's Constitution.

### 4. POWERS AND RESPONSIBILITIES

- 4.1 In addition to matters expressly required by law to be approved by the Board, the powers and responsibilities specifically reserved for the Board include:
- a. oversight of The MAC, including its control and accountability systems;
  - b. reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance, including:
    - I. setting The MAC's objectives, values and ethical standards;
    - II. establishing and applying corporate governance standards and policies for The MAC;
    - III. identifying and monitoring the main risks associated with The MAC and reviewing procedures and systems in place to manage these risks;
    - IV. appointing internal and external advisers for The MAC, including legal, financial and other advisers;
    - V. appointing members of all Board Committees; and
    - VI. recommending auditors for consideration by shareholders;
  - c. monitoring compliance with control and accountability systems, regulatory requirements and ethical standard;
  - d. appointing, and deciding the conditions of service of, the Chief Executive Officer;
  - e. removal of the Chief Executive Officer;
  - f. ratifying the appointment and the removal of the Chief Financial Officer and the Company Secretary;
  - g. deciding the level of delegation of authority to the Chief Executive Officer and management;
  - h. input into and final approval of management's development of corporate strategy and performance objectives;
  - i. monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available, including:
    - I. assessment of performance of Board and individual directors including the Nomination Committee;
    - II. procedures for identifying and appointing new directors which may be delegated to the Nomination Committee;
    - III. remuneration which may be delegated to the Remuneration Committee;
  - j. approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
  - k. approving and monitoring financial and other reporting;

- l. approving any public statements which reflect significant issues of The MAC's policy or strategy;
- m. procedures to be implemented for balancing of responsibilities to be regularly reviewed to ensure that the division of functions remains appropriate to the needs of The MAC.

## **5. CHAIRPERSON**

5.1 The Chairperson will not need to be an Independent Director.

5.2 In performing his/her role the Chairperson will:

- a. lead the Board, and ensure its efficient organisation and conduct;
- b. brief all directors in relation to issues arising at Board meetings;
- c. facilitate the effective contribution of all directors in the Board's function; and
- d. promote constructive and respectful relations between Board members, and between the Board and management.

5.3 The Chairperson will commit the time necessary to discharge his/her role effectively. The time required should be determined by taking into account the number of other positions, and the time commitment associated with them.

## **6. DIVISION OF RESPONSIBILITY BETWEEN CHAIRPERSON AND CEO**

On listing, the Chairperson and the Chief Executive Officer will be Kevin Maloney. When an Independent Chairperson is appointed, the Board will determine the division of responsibility between the Chairperson and the Chief Executive Officer, and set it out in a Statement of Position Authority.

Any future Chief Executive Officers will not become Chairperson.

## **7. COMPANY SECRETARY**

7.1 The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.

7.2 The Company Secretary has an important role in supporting the effectiveness of the Board by:

- a. monitoring that Board policy and procedures are followed;
- b. coordinating the completion and despatch of Board agenda and briefing materials; and
- c. ensuring financial and regulatory reports are prepared and lodged in a timely manner.

7.3 The Company Secretary is accountable to the Board (through the Chairperson) on all governance matters.

## **8. ACCESS TO INFORMATION**

8.1 The Board will be provided with the information it requires to efficiently discharge its responsibilities.

8.2 The following procedure has been agreed by the Board for Directors to take independent professional advice where necessary, at The MAC's expense:

- a. a Director wishing to obtain independent professional advice must inform the Chairperson before obtaining the advice;

- b. the likely cost of the advice must be disclosed to the Chairperson before obtaining the advice;
- c. the budget for the advice must be approved by the Chairperson (which approval must not be unreasonably withheld).

**8.3** All Directors are to have access to the Company Secretary.

**8.4** Management will supply the Board with information in a form, timeframe and quality that will enable the Board to effectively discharge its duties.

**8.5** Directors are entitled to request (and should be prepared to request) additional information where they consider that information supplied by Management is insufficient to support informed decision-making.

## **9. MATTERS DELEGATED TO MANAGEMENT**

The matters delegated to management are:

- a. implementation of policies adopted by the Board;
- b. monitoring and reporting to the Board on the implementation of policies adopted by the Board;
- c. day-to-day management of the business of The MAC.

## **10. COMMITTEES OF THE BOARD**

**10.1** The Board may establish committees to assist it in the discharge of its responsibilities from time to time. The Board has established the following committees:

- a. Audit and Risk Management Committee;
- b. Nomination Committee; and
- c. Remuneration Committee.

**10.2** The Board reviews and approves Committee Charters in respect of all Committees addressing the role, duties and responsibilities, composition and structure, administration and any other matter the Board determines relevant to such Committees. Amendments to Committee Charters must be approved by the Board.

**10.3** Appointment of members of Committees and requirements of membership are determined by the Board.

**10.4** Evaluation of Committee performance is undertaken by the Board.

## **11. PROFESSIONAL DEVELOPMENT**

**11.1** The role of each Director is fundamental to the success of The MAC. To fulfill that role, the Board must have the range of skills set out in paragraph 2.2 above. No Director will be expert in all of those skills but should acquaint themselves with all of those skills.

**11.2** Each Director will be able to undertake professional development, at the expense of The MAC as approved by the Board, for the purpose of enhancing their special skills and acquainting themselves with all of the skills required by the Board.

## **12. PUBLIC DISCLOSURES**

- 12.1** An explanation of any departure from the relevant ASX Best Practice Recommendations must be included in the corporate governance section of The MAC's Annual Reports.
- 12.2** A summary or copy of this Charter will be made publicly available on The MAC's website in a clearly marked corporate governance section.